

HOUSING & COMMUNITY DEVELOPMENT COMMITTEE MEETING
October 11, 2012
5th Floor Conference Room
MINUTES

Committee Members Present: Jan Davis, Gordon Smith, Chris Pelly

Welcome and Introductions

Councilman Jan Davis opened the meeting at 8:30 a.m.

1. Minutes

The meeting minutes from September 13, 2012 were approved.

2. Updates

- a. Housing Trust Fund Financial Report - The Trust Fund has a balance of \$335,780 available to lend with 3 undisbursed loans totaling \$755,335. The West Chapel Rd project has drawn about half its funds. The Glen Rock Hotel and Eagle Market projects will be closing most likely in the next 30-60 days. An additional \$11,354 in loan repayments is anticipated prior to month end.
- b. Housing Trust Fund Program Update – CD Staff is continuing to research alternative payment standards and HTF rent caps. Staff will have a proposal available for your review in November. A notice of funds available was published for this year's round of HTF funding. Applications are due back to the City by November 16th and will be presented to the HCD Committee in December, with presentations to full City Council in January. In addition to the \$335,780 that is currently available to lend, staff anticipates \$103,500 in loan repayments prior to fiscal year-end. An estimated \$439,000 will be available to support projects this year.
- c. East of the Riverway Update - Jeff Staudinger gave a brief update on the East of the Riverway Day, the contract for the Greenways consultants, and the scenario planning with NEMAC.
- d. Affordable Housing Advisory Committee – Jeff Staudinger gave an update on the progress of the committee's work. The committee is considering the possibility of using a bond referendum to raise money for affordable housing. The Committee will present short and long term recommendations to the HCD Committee in December.
- e. 2011-2012 CAPER - Jeff Staudinger provided the committee with an update on the annual CAPER report, including the progress of all CDBG and HOME projects.
- f. CD Division Staffing – Jeff Staudinger introduced Sandra Anderson to the HCD Committee. She is the new Community Development Analyst.

3. Unfinished Business

- a. Use of CDBG funds – Jeff Staudinger gave a brief update on the funds available from On Track's decision to terminate their HomeBase program. Additionally, staff informed the Committee that the total available funds, including cancelled project and past unspent contingencies, is \$112,340. After discussion about the uncertainty surrounding the federal CDBG 2013-2014 allocation, Councilman Pelly suggested holding the funds back to allocate next year. Councilman Smith agreed. The committee decided to hold funds until next year.

4. New Business –

- a. Housing Trust Funds for Eagle Market Place – Randy Stalling gave an update on the request from MHO to proceed to closing on the Eagle Market Place project. The subject project has been awarded \$300,000 in Housing Trust Funds and \$462,600 in HOME funds. MHO requested that both funding sources be released. CD Staff advised against the release of HOME funds due to the current regulatory environment and the requirements of local jurisdictions to certify projects under stringent underwriting guidelines. Staff recommended that the Housing and Community Development Committee grant conditional approval of the request for early release of the Housing Trust Fund award subject to the conditions noted in the Staff Report.
- b. Cindy Weeks of MHO spoke on the request and gave an update on the changes to the building from feedback from the community. She also spoke to the risks mentioned in the staff reports. After a discussion on the risks involved in approving the request Councilman Pelly moved to approve the request by MHO to grant exemptions to the Housing Trust Fund guidelines and release the funds with the terms and conditions laid out in the CD Staff report. Councilman Smith seconded with the change from Forest Commercial Bank to a private lender. The motion passed unanimously. The Committee determined that City Council should take up this request.
- c. Mt. Zion Development – John Grant, pastor of Mt. Zion Church, introduced the project to the HCD Committee, along with Belinda Grant, Exec Dir of MZDC, Dan Ligon from Ligon Associates and Christy Horton, also of Ligon Associates. Dan Ligon gave a summary of the project. Christy Horton of Ligon gave a brief summary of a few of Ligon's current projects that include affordable housing/workforce housing. Mr. Ligon also spoke on the project budget and requested a possible investment/loan from the city that could be paid back with 5 years. At this time there is no specific proposal from CD Staff. Staff will continue to look at options for financing. The HCD committee is supportive of the project.

5. Public Comment – None

6. Next Meeting – Thursday, November 8, 2012